

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6337

BILL NUMBER: SB 202

NOTE PREPARED: Feb 3, 2011

BILL AMENDED: Feb 3, 2011

SUBJECT: Environmental Approvals and Other Issues.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) *Construction or Expansion of Satellite Manure Storage Facilities.* This bill requires the approval of the Indiana Department of Environmental Management (IDEM) for construction or expansion of a satellite manure storage structure, anaerobic digestion facility (ADF), or gasification facility (GF). If the construction or expansion of an ADF or a GF is on the premises of a confined feeding operation, the bill provides that the approval is obtained through the approval process for confined feeding operations. The bill specifies guidelines that IDEM must follow when issuing a notice of violation.

Biomass Facilities. The bill provides that an ADF or a GF for which the only input is biomass is not subject to regulation as a solid waste processing facility, but that IDEM may determine that an ADF or a GF for which the input is a combination of biomass and solid waste is subject to regulation as a solid waste processing facility.

Definitions. The bill amends the definition of "solid waste" for environmental statutes to exclude certain manures or crop residues returned to the soil regardless of whether the return is at the point of generation. It adds definition of "fertilizer material". The bill removes "coal" and "petroleum coke" from the definition of "gasification facility".

State Chemist. The bill provides that rules adopted by the State Chemist for distribution and use of fertilizer material must include standards to protect waters of the state. The bill adjusts certain restrictions to pollutants that enter the waters of Indiana contained in land applications that comply with rules adopted by the State Chemist. The bill requires the State Chemist to adopt rules before July 1, 2012, concerning the staging and use of organic fertilizer material.

Water Pollution Prohibition. The bill provides that a statutory water pollution prohibition is not violated by fertilizer material that (1) is contained in runoff from a storm event or irrigation return flow; and (2) enters waters of Indiana as a result of land application of the fertilizer material that is for agricultural purposes, is done at appropriate agronomic rates for proper nutrient uptake in the field, and is documented.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Approval of Construction or Expansion of Satellite Manure Storage Facilities.* Requiring the approval of IDEM for manure storage structures, anaerobic digestion facilities, or gasification facilities will have no significant impact on IDEM. Currently, there are two such facilities in the state.

Biomass Facilities. Authorizing IDEM to determine that an ADF or a GF is subject to regulation as a solid waste processing facility will have no significant impact.

Definitions. This provision will have no significant impact.

(Revised) *State Chemist.* The bill will require the adoption of rules by the State Chemist before July 1, 2012, concerning the staging and use of organic fertilizer material. The bill's requirements are within the State Chemist's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Water Pollution Prohibition. The bill provides that a statutory water pollution prohibition is not violated by fertilizer material that (1) is contained in runoff; and (2) enters waters of Indiana as a result of land application of the fertilizer material for agricultural purposes, is done at appropriate agronomic rates for proper nutrient uptake in the field, and is documented. This provision will have no impact to IDEM.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM.

Local Agencies Affected:

Information Sources: IDEM.

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